

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF)	CASE NO. 6602-00
EQUITABLE GAS COMPANY)	

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 9, 1989, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas was increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective November 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Equitable's notice of October 9, 1989 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$365,278 or 66.21 cents per Mcf.

(2) Kentucky West has filed with the Federal Energy Regulatory Commission an application for increased rates to be effective November 1, 1989. Under the terms of Kentucky West's PGA clause, this rate increase is subject to refund.

(3) As Kentucky West's proposed rates increase is subject to refund, any increase in Equitable's rates due to Kentucky West's proposed rate increase should also be subject to refund.

(4) Good cause exists to shorten the notice period for Equitable's proposed rate change from 30 days to 20 days. KRS 278.180(1).

(5) Equitable's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6602 dated December 8, 1976 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after November 1, 1989, subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after November 1, 1989, subject to refund.

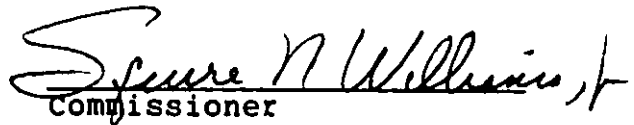
(2) Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates and refund factor authorized herein.

Done at Frankfort, Kentucky, this 30th day of October, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 6602-00 DATED 10/30/89

The following rates and charges are prescribed for the customers served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First	2 Mcf	\$3.7805 per Mcf
Next	18 Mcf	3.5955 per Mcf
Next	30 Mcf	3.5405 per Mcf
Next	50 Mcf	3.4905 per Mcf
All Over	100 Mcf	3.4405 per Mcf

The minimum bill shall be \$1.80.

The following adjustments will be made to the above rates:

A surcharge of \$0.2278 per Mcf to reconcile undercollections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

A refund of \$.0897 per Mcf to reconcile overcollections occurring from February 1989 through June 1989 to remain in effect for 12 months.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

Commodity

Kentucky West Virginia Gas Company \$2.8961/Dth*

*Includes \$0.0151 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0018.